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ABSTRACT

This document explores the policies and practices essential for maintaining a profitable, efficient, and productive continuing education program. A continuing education organizational structure must produce results (sales) and services (delivery), and organizational roles must be clearly defined so that income is linked to expenses. Sales and services can be chartered to produce an organizational profile that allows for rapid response to market conditions. Program priorities should include content, development, pricing, and environmental scans and marketing. The author advocates for a "middle-out" organizational structure that provides more focus, more response, and faster results. Middle-out units have clearly defined program delivery units, such as customized training, open-to the public workshops and seminars, job training, credit programs, special events, distance education, international studies, and conferences. A fiscal and key indicator tracking system is outlined, which establishes a data collection model that provides for analysis of monthly budgets, forecasting based on prior results, and target marketing. The author asserts that a performance-based organization should have a goal statement, vision statement, and a long-term development plan to access new markets, new revenue sources, and allow for the financials to be controlled. The development of an integrated marketing plan is also discussed. (RC)

Move your continuing education unit from function to performance-based

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Continuing education has been part of higher education for many years. During these years more and more colleges and universities see it as an important source of revenue. In 1997, a study entitled "The Profitability of Continuing Education in Higher Education" concluded $\frac{3}{4}$ of the CE units surveyed are making money. Here is one interesting benchmark: continuing education units lose money with gross revenues of less than \$1 million. The same study observed just under half of the continuing education programs had gross revenues less than \$1 million per year and only about 30% had gross revenues over \$2 million. 25% of the continuing education units ran a deficit and only 22% provided an overhead return of 30% or greater. The median income for continuing education units was \$820,000 and the median net revenue was \$73,910 or less than 10%.

Continuing education does return a profit but its impact is also meeting institutions' missions. So performance and customer service are key factors for success in continuing education. One additional important conclusion of the report is that [good] management by continuing educators [is] the main criteria for success in continuing education.

Performance is not in the eye of the beholder; it is in the eye of the balance sheet. Often, continuing education professionals are "busy" (performing tasks) but not productive (performing income-producing tasks). Services must be thorough, efficient, and

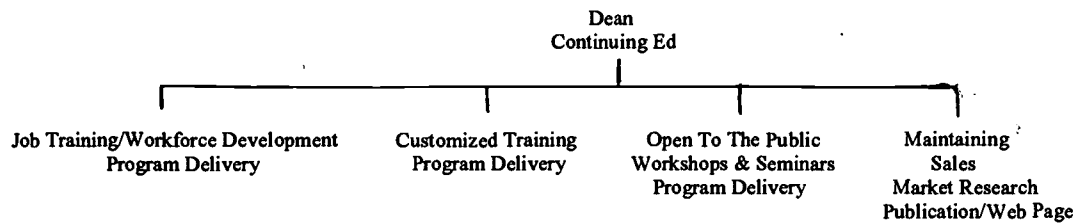
affordable and be perceived as having added value by continuing education's customers. So packaging is important because today's consumers have and expect choices in their purchases and lifelong learning is no exception.

An organizational structure must produce results (sales) and services (delivery), and organizational roles must be clearly defined so that income is linked to expenses and sales and services can be charted to produce an organizational profile allowing for rapid response to market conditions. What are the priorities then? I believe they are program content, development, pricing, and environmental scans and marketing.

For every dollar spent, know why and what the rate of return is. The continuing education professional must be result-oriented, know desired results, match expected vs. actual. The organizational structure is the key. Generally, two types of organizational structures abound: top-down and middle-out. Middle-out provides more focus, more response, and faster results. Middle-out units have clearly defined program delivery units such as customized training, open-to-the-public workshops and seminars, job training, credit programs, special events, distance ed, international studies, conferences and seminars, and the list goes on.

Here is a sample organizational chart:

Sample Org Chart



Fiscal tracking must be established. Separate expense budgets must be set up, monthly and quarterly expenses must be reviewed, supplemental expense budget increases must be available, linked income accounts must be set up, monthly and quarterly review of income must occur, and any expense budget increase must increase the unit's income goal.

Why do this? When a data collection model is established, a historical record is begun and analyses can be done and have a basis to compare actual monthly figures to monthly averages. If an organization is not approaching fiscal analysis in this way, it is a sure bet the organization is out of focus. It can't then forecast activity of future quarters based on prior results unless each unit manager is responsible for the income and expense numbers. The next year's financial goals are easily set.

Key indicator reports must be established to track enrollments income, and expenses. Demographics for target marketing are key information sources for marketing services. Tracking competitors and watching what they are doing is also quite important. Unit managers need comprehensive fiscal information, clear fiscal goals, and an awareness of continuing education outside its zipcode. These reports are also the basis of your annual report.

Set up an organization that shares information. Show projects, billable amounts, return on investments, and program narratives with higher-up's. Invite their participation. Have a good customer service front-end. For example, in job training consider that participants who want to retrain and/or enter the world of work, don't underestimate a comprehensive, friendly intake process that includes sign-up, training, long-term support (counseling, guidance), internships, job placement, and payment options.

Open-to-the-public workshops must be based on unit managers learning and understanding what is out there vs. what could be offered, at what cost, length, and in what format and timeslots. Everyday, continuing education professionals decide to cooperate, compete, or innovate. Environmental scans help decide such issues as weekend hours, external locations. Staff names, pictures, and phone numbers in your publications to promote and transact public inquiries allow staff to "close the sale". Key indicator reports that monitor enrollment, gross income, expenses, net income and return on investment bring into focus what each organization's catalog contains.

A performance-based organization should have a goal statement, vision statement, and a long-term development plan to access new markets, new revenue sources, and allow for the financials to be controlled, and in check.

Marketing is half the job. A market plan must be based on primary and secondary market research. Primary research is using the data you are given, and secondary research is using the data you have to go and get. Marketing costs must be tracked. Customer contact must be tracked and benchmarked. This includes direct mail, display ads, web page, registrations, radio, television, and surveys. Be prepared to experiment, refocus, and change direction after examining the facts. Marketing costs can be cut through bids, and through the use of simple tools such as geographic information software. It is inexpensive, easy to use, and useful for linking primary and secondary research data into information that affects your organizations marketing plan's ways and means.

Integrated marketing means lifelong programming and there are horizontal and vertical issues. For example, some of the horizontal issues in integrated marketing are marketing to different age groups (from age 3 to 55+), across a spectrum of credit, enrichment, and professional development programs. Some of the vertical issues are program content in nature: childcare, youth programs, programs for young adults, advanced placement courses, and training related to the adult student.

Continuing education professionals in a performance-based organization should take time to think. It is important so make the time. Do a retreat, set goals, and expect to fund

them. Listen to your team, involve them, take a leadership role and expect staff to do the same, and always be prepared to consider the possibilities ...and act on them.

Whoever is leading the organization must keep the organization focused on an important fact: gross income must exceed aggregate expenses, new program development must occur, future budget resources must be obligated in a logical, thought-out way, and unit managers must participate in goals and strategies that produce sales in the differences in credit vs. noncredit: for example, folks in the credit 18-34 year old age range vs. the noncredit 25-44 year old range want different things. The former want a degree; the latter, a job. And competition with credit is direct but with noncredit, it can be varied and indirect. A parent may want a child to go to college, while a boss wants a worker to upgrade skills. Credit by nature is a diverse product line; in noncredit, it is applied. Credit pricing is regulated, while noncredit is usually lower and can be sponsored by an employer. Credit is still a “come here” proposition while noncredit is a “we’ll come to you” proposition. But product, price, place, and promotion in noncredit is now “look at the consumer, look at the competition, look at the community and look at business”. All this requires pre-search, free search, and e-search.

From vocational to liberal arts, from traditional to progressive, your market is waiting there to be discovered. With performance in mind, there are shorter development cycles, reducing holes in program planning, and targeting the 61% of Americans online, the 59% of Americans over 45 who are online, the 40% of Americans who shop online and are serious consumers (they’re just a click away from buying), and those same Americans

(70% of them), believe technology will help their children's education so they are prone to believe it for themselves.

Awareness, interest, and desire translate into action. See yourself as a performance-based continuing education professional, use the tools of the trade, and follow a simple regimen of program research before program delivery. Get results, get the results you want, and get credibility with your senior management team.

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